AIR COMBAT COMMAND CONTRACTING SQUADRON

ARCHITECT AND ENGINEERING TRAINING GUIDE



LANGLEY AFB VIRGINIA

15 AUGUST 1997

PURPOSE

The purpose of this document is to provide basic facts and brief explanations in the acquisition process of architect-engineer contracts. This guide is intended to assist and aid in the understanding of the architect-engineer acquisition process. However, in no means is this guide all inclusive to every facet of architect-engineer contracts.

The federal Government constantly awards thousands of architect-engineer contracts annually worth hundreds of millions of dollars. These contracts are not awarded to firms that have submitted competitive bids for the work, but to firms selected for negotiations because of their demonstrated professional qualifications, specialized experience in the type of work required, capacity to perform, past performance, proximity to the geographical area of the project (if applicable), and other appropriate evaluation criteria, exclusive of price.

The method of selecting architect-engineer firms to perform designs, studies, surveys or evaluations services etc. requires the exercise of objective judgment in evaluating a candidate firm's qualification against those of another firm.

This guide is prepared using the Federal Acquisition Regulation (FAR) and it's applicable supplements, (Defense Federal Acquisition Regulation Supplement - DFARS, Air Force Federal Acquisition Regulation Supplement - AFFARS, Air Combat Command Federal Acquisition Regulation Supplement - ACCFARS) along with Air Force Instruction 32-1023, Chapter 3. Entitled, "Design and Construction Standards and Execution of Facility Construction Projects." This guide is only as useful as the currency of the above regulations used.

FAR - 1997 Reissue DFARS - DAC 91-11 (DL 97-12) AFFARS - AFAC 96-1 ACCFARS - 1 JUN 96 AFI 32-1023 - 19 JUL 94

DEFINITION

The first question we must ask ourselves is what is the definition of architect-engineer services? FAR 36.601-4 states the following:

Contracting officers should consider the following services to be "architect-engineer services":

- Professional services of an architectural or engineering nature, as defined by applicable State law, which the State law requires to be performed or approved by a registered architect or engineer.
- Professional services of an architectural or engineering nature associated with design or construction of real property.
- Other professional services of an architectural or engineering nature or services incidental thereto
 (including studies, investigations, surveying and mapping, tests, evaluations, consultations,
 comprehensive planning, program management, conceptual designs, plans and specifications,
 value engineering, construction phase services, soils engineering, drawing reviews, preparation of
 operating and maintenance manuals and other related services) that logically or justifiably require
 performance by registered architects or engineers or their employees.
- Professional surveying and mapping services of an architectural or engineering nature. Surveying is considered to be an architectural and engineering service and shall be procured pursuant to FAR 36.601 from registered surveyors or architects and engineers. Mapping associated with the research, planning, development, design, construction, or alteration of real property is considered to be an architectural and engineering service and is to be procured pursuant to FAR 36.601. However, mapping services such as those typically performed by the Defense Mapping Agency that are not connected to traditionally understood or accepted architectural and engineering activities, are not incidental to such architectural and engineering activities or have not in themselves traditionally been considered architectural and engineering services shall be procured pursuant to provisions in FAR Parts 13, 14, and 15.

As you can see from the above, there are many types professional services that can fall under architect-engineer services.

The FAR went further to state that Contracting officers may award contracts for architect-engineer services to any firm permitted by law to practice the professions of architecture or engineering.

Other definitions that will be useful in understanding Architect-engineering services are:

• **Title I:** These services are related to a specific construction project and consists of conducting field surveys and investigations to obtain design data, and preparing contract plans, specifications, and cost estimates.

- **Title II:** These services are related to a specific or proposed construction project and consists of supervision and inspection of construction.
- Base Comprehensive Plans: These services consist of conducting field surveys and investigations to obtain data and producing Air Base development plans.
- Other A-E Services: These services are design and construction related but are not connected with a specific construction project. The services consist of developing design criteria, fact finding studies, surveys, investigations, and the performance of environmental projects involving prevention, compliance, and restoration when the services of registered architects or engineers are required. Excluded are services that need not be performed by a registered engineer or architect such as providing design and construction equipment or computer programs.

OTHER COMPETITIVE PROCEDURES

Now that we know what architect-engineer means, let me mention that the selection process for an architect-engineer firm falls under the realm of other competitive procedures as long as the acquisition process is in accordance FAR 36.6. The selection process will be discussed in more detail later.

Architect-engineer contracts falls under FAR 6.102, (d)(I) Competitive procedures.

The competitive procedures available for use in fulfilling the requirement for full and open competition are as follows:

Other competitive procedures. Selection of sources for architect-engineer contracts in accordance with the provisions of Pub. L. 92-582 (40 U.S.C. 541, et seq.) is a competitive procedure as long as the method is done in accordance with FAR Subpart 36.6.

The FAR further states that a broad agency announcement that is general in nature identifying areas of research interest, including criteria for selecting proposals, and soliciting the participation of all offerors capable of satisfying the Government's needs is competitive in nature. Therefore the synopsis in the commerce business daily announcement (CBD) fulfills this requirement. The CBD will be discussed in more detail later.

INDEFINITE-DELIVERY CONTRACTS

There are three types of indefinite-delivery contracts: definite-quantity contracts, requirements contracts, and indefinite-quantity contracts (IDIQ).

The only one applicable to architect-engineer contracts is Indefinite-quantity contracts.

Description: An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services to be furnished during a fixed period, with deliveries or performance to be scheduled by placing orders with the contractor.

The contract shall require the Government to order and the contractor to furnish at least a stated minimum quantity of supplies or services and, if and as ordered, the contractor to furnish any additional quantities, not to exceed a stated maximum. The contracting officer may obtain the basis for the maximum from records of previous requirements and consumption, or by other means, but the maximum quantity should be realistic and based on the most current information available.

To ensure that the contract is binding, the **minimum** quantity must be more than a nominal quantity, but it should not exceed the amount that the Government is fairly certain to order.

The contract may also specify maximum or minimum quantities that the Government may order under each task or delivery order and the maximum that it may order during a specific period of time.

In addition to other required provisions and clauses, a solicitation and contract for an indefinite quantity shall--

Specify the period of the contract, including the number of options and the period for which the contract may be extended under each option, if any;

Specify the total minimum and maximum quantity or dollar value of supplies or services to be acquired under the contract;

Include a statement of work, specifications, or other description, that reasonably describes the general scope, nature, complexity, and purpose of the supplies or services to be acquired under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer.

State the procedures that will be used in issuing orders and, if multiple awards may be made, state the procedures and selection criteria that will be used to provide awardees a fair opportunity to be considered for each order. Multiple awards for architect-engineer contracts are not preferred however if necessary, follow procedures in FAR 36.6.

If multiple awards may be made, include the provision at FAR 52.216-27, Single or Multiple Awards, to notify offerors that more than one contract may be awarded.

Application: An indefinite-quantity contract may be used when the Government cannot predetermine, above a specified minimum, the precise quantities of supplies or services that will be required during the contract period and it is inadvisable for the Government to commit itself for more than a minimum quantity. An indefinite-quantity contract should be used only when a recurring need is anticipated. **If no delivery orders are issued, then the contractor shall receive the stated minimum specified, the Government's minimum obligation.**

An indefinite-delivery-order architect-engineer contract follows the same procedures as any other contract in its early stages. The Government publishes its requirement in the CBD, preselection and selection boards are held and a number-one-ranked candidate firm is selected. This firm is notified and asked to submit its average man-hour rates for each of the disciplines required by the project and its proposed overhead rates and how they are applied. If the proposed contract is expected to exceed the audit threshold of \$500,000, the average man-hour rates and overhead is subject to an audit. Once the audit (or whatever method the government may use to determine the reasonableness and accuracy of proposed data) is accomplished, these man-hour and overhead rate are set up in the contract and shall be used to price any delivery orders issued under this contract in the future.

In addition to the above requirements on IDIQ contracts, the Air Force Federal Acquisition Regulation Supplement provides further guidance for these type contracts.

AFFARS 5336.691, Use of the indefinite-delivery/indefinite-quantity (IDIQ) contract type for the acquisition of architect-engineer services.

- (a) No individual order may exceed \$299,000 in fees. An exception to this limitation is the initial order used to start the contract. This order may exceed \$299,000 as long as properly indicated in the Commerce Business Daily (CBD) announcement.
- (b) The fees under a particular IDIQ contract may not exceed \$750,000 for any year or option period.
- (c) The selection procedures used to determine contract award of this type contract shall be those procedures for awards of contracts over the simplified acquisition threshold (SAT). This means announcement in the CBD and a selection process using two formally constituted boards are required.
- (d) As projects having design fees of \$299,000 or less are identified, they are accomplished by issuance of a delivery/work order against the particular IDIQ contract.
- (e) There is no prohibition against awarding consecutive contracts to the same firm.
- (f) An IDIQ (A-E) contract may be awarded for a basic period not to exceed one year. Four, one-year options may be included.
- (g) As this contract may cross fiscal years, funds for orders placed against the contract shall be obligated within the year appropriated.
- (h) The announcement in the CBD shall clearly define the limitations of applicability as identified above.
- (i) For environmental requirements when the services of registered architects or engineers are required in the performance of environmental projects involving prevention, compliance, and restoration, MAJCOM HCAs may set higher limits than those stated in (a), (b), and (d) above as follows:

- (1) The limit for the total individual contract amount shall be determined jointly by the MAJCOM contracting and civil engineering for HCA approval, with no delivery order size restriction, but the total of the A-E award fees shall not exceed \$200 million on any contract including the basic and option periods; and
- (2) Notwithstanding (f) above, when IDIQ contracts are used for environmental projects, the term of the contract may not exceed five years, including the basic and option years.

Air Combat Command (ACC) ACCFARS Supplements (1) above with following:

5336.691 Use of the Indefinite Delivery, Indefinite Quantity (IDIQ) Contract-type for the Acquisition of Architect-Engineering (A&E) Services.

The following thresholds apply to A&E Environmental contracts only:

(a) Total A&E fees shall not exceed \$100 million on any contract including the basic and option periods. Contracts written by the ACC Contracting Squadron shall not exceed \$200 million.

COMMERCE BUSINESS DAILY ANNOUNCEMENT

The Commerce Business Daily (CBD) announcement (same as public announcement-see sample page 10.) is an extremely critical element in the government procurement process for architect-engineer contracts. Effectively it baselines the scope of work and the terms and conditions of the proposed contract. It provides the selection criteria for the preselection and selection boards and it must be based on consistency, integrity, clarity, and conformance to the project requirements. An inadequately prepared announcement can attract inappropriate responses from capable firms or as well the wrong kind of firms.

The CBD is the public notification media by which U.S. Government agencies identify proposed contract actions and contract awards.

The FAR states that for architect-engineering services, Contracting officers shall publish notices of intent to contract for architect-engineering services as follows:

Except when exempted by FAR 5.202, contracting officers shall synopsize each proposed architect-engineering contract action for which the total fee (including phases and options) is expected to exceed \$25,000. Reference shall be made to the appropriate CBD Numbered Note.

The FAR further states that agencies shall allow at least a **30 day response time** from the date of publication of a proper notice of intent to contract for architect-engineer services or before issuance of an order under a basic ordering agreement or similar arrangement if the contract action is expected to exceed the simplified acquisition threshold.

PUBLIC ANNOUNCEMENT

The Government shall publicly announce all requirements for architect-engineer services and negotiate contracts for these services based on the demonstrated competence and qualifications of prospective contractors to perform the services at fair and reasonable prices.

Prior to announcing a requirement for architect-engineering services for the design of a facility, the contracting officer shall ask the technical official responsible for the facility being designed to specifically identify any areas where recovered materials cannot be used in the facility construction. In those areas where recovered materials may be used, the architect-engineer shall specify use of the maximum practicable amount of recovered materials in the construction design specifications consistent with FAR 10.010(b).

Sources for contracts for architect-engineer services shall be selected in accordance with the procedures in FAR 36.6 rather than the solicitation or source selection procedures prescribed in FAR Parts 13, 14, and 15.

When the contract statement of work includes both architect-engineer services and other services, the contracting officer shall follow the procedures in FAR PART 36.6 if the statement of work, substantially or to a dominant extent, specifies performance or approval by a registered or licensed architect or engineer. If the statement of work does not specify such performance or approval, the contracting officer shall follow the procedures in FAR Parts 13, 14, or 15.

The first thing you must find out is what is the expected dollar value of your requirement before synopsizing your announcement. The estimated fee (contract) amount will determine whether it should be set-aside for small business or unrestricted for full and open competition. You must be familiar with federal acquisition regulations and your agency requirements to determine if the estimated fee (contract) amount meets the threshold for a set-aside, 8a potential or unrestricted acquisition. Presently, the Defense Federal Acquisition Regulation Supplement (DFARS) 219.502-1 (2) and 219.502-2 (iii) 219.502-2-70 (3) states the requirements for setting aside acquisitions as follows:

Do not set aside acquisitions for--

Architect-engineer services for military construction or family housing projects of \$85,000 or more (10 U.S.C. 2855), including indefinite delivery and indefinite quantity contracts if the value of all anticipated orders is expected to total \$85,000 or more.

Total set-asides

Unless the contracting officer determines that the criteria for set-aside cannot be met, set aside for small business concerns acquisitions for--

Architect-engineer services for military construction or family housing projects under \$85,000.

Total set-asides for small disadvantaged business concerns.

Do not set aside acquisitions for SDBs when--

The acquisition is for architect-engineer services or construction design for military construction projects, without regard to dollar value.

The above regulatory guidance shall assist you in determining your course of action and how you will express the competition requirements in the announcement.

SPECIFIC REQUIREMENTS

The Commerce Business Daily Announcement should not be accomplished until the Government has at least drafted and reviewed a Statement of Work. Remember, we must be as specific and clear as possible on what we are asking for. The FAR states to prepare a clear and concise description of the supplies or services that is not unnecessarily restrictive of competition and will allow a prospective offeror to make an informed business judgment as to whether a copy of the solicitation should be requested.

Architect-Engineer contracts are different, as there will be no solicitation, since this action applies only to competitive proposals, but architect-engineer firms must have enough information to make a sound business decision whether or not to expend the resources to submit a Standard Form 254 and Standard Form 255 in response to the announcement.

The Government description in the announcement should spell out the specific criteria for the requirement that will be used to establish the minimum qualifications you must have to be considered for the job. The **two types of criteria** that should be clearly defined in the announcement is (1) **specialized past experience and expertise** and (2) **special criteria.** Some examples of the criteria are statements by the government such as, "only firms with demonstrated expertise in the disciplines of civil, mechanical, electrical, and structural engineering and architecture need apply for consideration." This would be a clear definition that the firm must have had past experience in the above disciplines. In most cases you may be even more explicit and absolute and state, "only those firms demonstrating expertise and past experience in the design of medical facilities on the island of St. Thomas will be considered for selection." This criteria should be Yes or No, either the firm has had the experience or they do not. The other area is special criteria for example, "Location in the general geographical area of the project and knowledge of the locality of the project," or "professional registrations or knowledge of regulatory requirements." The FAR and its' supplements encompasses the two types of criteria together under the headings of Selection Criteria in FAR 36.602-1 (see below).

The FAR is specific in the criteria that the government shall use in the selection process. This criteria is what shall be included in the CBD announcement and used by the preselection and selection boards for evaluation. Once this criteria is established it should not be changed. If the evaluation criteria does change, then the announcement should be canceled or modified by written announcement. The contractor shall be given an additional 30 days from the date the amendment was published to respond with their statement of qualifications.

The selection criteria in FAR 36.602-1 is as follows:

Agencies shall evaluate each potential contractor in terms of its--

- Professional qualifications necessary for satisfactory performance of required services;
- Specialized experience and technical competence in the type of work required;
- Capacity to accomplish the work in the required time;
- Past performance on contracts with Government agencies and private industry in terms of cost control, quality of work, and compliance with performance schedules;
- Location in the general geographical area of the project and knowledge of the locality of the project; provided, that application of this criterion leaves an appropriate number of qualified firms, given the nature and size of the project; and
- Demonstrated success in prescribing the use of recovered materials and achieving waste reduction and energy efficiency in facility design.
- Acceptability under other appropriate evaluation criteria.

When the use of design competition is approved by the agency head or a designee, agencies may evaluate firms on the basis of their conceptual design of the project.

Design competition may be used when--

- Unique situations exist involving prestige projects, such as the design of memorials and structures of unusual national significance;
- Sufficient time is available for the production and evaluation of conceptual designs; and
- The design competition, with its costs, will substantially benefit the project.

AFFARS 36.603 (c) lists other areas that evaluation boards should review in the SF's 254 and 255.

In addition to the above DFARS 236.602-1 states that the evaluation criteria must be in ranking order of importance as stated below.

Establish the evaluation criteria before making the **public announcement and include the criteria** and their relative order of importance in the announcement. The evaluation criteria should be project specific.

The primary factor in A-E selection is the determination of the most highly qualified firm. Also consider secondary factors such as geographic proximity and equitable distribution of work, but do not attribute greater significance to the secondary factors than to qualifications and past performance. Do not reject the overall most highly qualified firm solely in the interest of equitable distribution of contracts.

Note: Geographic location should not be included as an evaluation factor if the services will principally be performed outside the identified services area.

- Consider the volume of work awarded by DoD during the previous 12 months. In considering equitable distribution of work among A-E firms, include small and small disadvantaged business firms and firms that have not had prior DoD contracts.
- Do not consider awards to overseas offices for projects outside the United States, its territories and possessions. Do not consider awards to a subsidiary if the subsidiary is not normally subject to management decisions, bookkeeping, and policies of a holding or parent company or an incorporated subsidiary that operates under a firm name different from the parent company. This allows greater competition.
- Consider as appropriate superior performance evaluations on recently completed DoD contracts.
- Consider the extent to which potential contractors identify and commit to small business and to small disadvantaged business, historically black college and university, or minority institution performance of the contract, whether as a joint venture, teaming arrangement, or subcontractor.

As you can see, there are alot of things to consider when announcing a requirement for architect-engineering services. The <u>main concern</u> is that the criteria listed in the announcement will be the same for the selection board(s) evaluations.

SAMPLE SYNOPSIS (CBD/PUBLIC ANNOUNCEMENT)

Architect-Engineer services are required for award of an Indefinite Delivery Indefinite Quantity type contract for infrastructure maintenance, repair, and construction projects, studies, surveys, engineering evaluations, and training requirements at sites and locations throughout the United States and overseas locations in support of Air Combat Command. Site locations include, but are not limited to, the United States, Panama, Azores, and Southwest Asia. The contracting officer may elect to award multiple contracts from a single synopsis (if elected no more than two awards will be made). The contract will cover a one year basic ordering period with two one year option periods. Delivery Orders, which will be firm fixed price, may be issued on an as required basis for one year from the award date of the contract with a two year option. Total fees will not exceed \$750,000 for each year, with no individual delivery order to exceed \$299,000. Total fees of \$5,000 are guaranteed in the basic year only. Services include surveys, studies, design, construction inspection, installation inspection, and training requirements for various infrastructure projects and programs. Required engineering disciplines include civil, electrical, mechanical, fire protection with supporting architectural and structural. Work includes, but is not limited to, design development of plans, drawings, specifications and cost estimates for contract accomplishment, studies, investigations, training, and services. The successful firm is expected to have the capability to perform 80% or more of the contracted services using their in-house personnel. A-E evaluation factors will include (in order of importance): (1). Specialized experience in renovation, upgrade, repair and construction of commercial and industrial facilities (specifically their supporting infrastructure systems), to include investigation of Pavement Defects and Deficiencies, Airfield Pavements Surface Effects Testing, Pavement Condition Surveys (Airfield, Streets, and Parking Lots), Airfield Pavements Evaluation, Airfield Mission Change Impact Studies, Pavement Drainage Studies, Aircraft Refueling Systems (Dispensing and Storage) Studies, Railroad Trackage Maintenance Repair and Re-Construction Studies, Base Roofing Surveys, Roof Maintenance, Repair, and Replacement Projects, Oversight of Aircraft Arresting System Construction, Electrical Distribution Studies, Fire Protection System Evaluations, Life Safety Studies, Fire Hazards Analysis, Indoor Air Quality Surveys, Water Pressure/Flow Analysis, Water and Sewage Treatment Studies, Water Supply and Conservation Studies, Cathodic Protection System Evaluation, Troubleshooting and Design, Unforeseen Infrastructure Studies, and providing training programs for various infrastructure areas such as Corrosion Control, Radio Fire Alarms, Direct Digital Controls, Roof Surveys, NFPA code, NEC code, American Petroleum Institute Tank Inspection, Industrial Water Treatment, etc. (2) Professional qualifications necessary for satisfactory performance indicated by education, experience, registration and management ability of personnel to be assigned to this contract. Based on anticipated requirements, firms must indicate their professional capabilities and staff availability in the areas of civil engineering, electrical engineering, mechanical engineering, fire protection engineering, estimating, specification writing, construction inspection, and drafting support. (3) Capacity of the firm to accomplish delivery orders in the time required during the entire contract period. (4) Location of the firm from Langley AFB, Hampton VA, in range of: within 40 miles, between 40 and 100 miles, and beyond 100 miles. (5) Experience of the firm with respect to renovation and construction work on Department of Defense contracts primarily, with less weight given to performance on contracts with private industry. (6) Licensing or agreements to operate in the following countries: Panama, Azores, and Southwest Asia. This is not a request for proposal. Response by submittal of 2 copies of Standard Forms 254 and 255 must be received no later than 4:30 p.m. EST, 28 Jan 97. Firms desiring consideration shall submit appropriate data as described in Numbered Note 24.

STANDARD FORMS 254 & 255

To be considered for architect-engineer contracts, a firm must file with the appropriate office or board the Standard Form 254 (SF 254), "Architect-Engineer and Related Services Questionnaire,"

and when applicable, the Standard Form 255 (SF 255), "Architect-Engineer and Related Services Questionnaire for Specific Project."

These forms are prepared and submitted by registered and licensed architect-engineer firms to be contemplated for a specific project in response to a public announcement. The information in these forms will provide data about the capability as they relate to a specific project. Additional information regarding professional qualifications and past experiences, etc. is also included. The information in these forms can make or break whether a contractor will be further considered for discussions, or for screening firms preliminary to inviting submission of additional information. It is the sole responsibility of the architect-engineer firm to tailor these forms to the specific requirement. These forms along with a copy of the public announcement are the basis used by the evaluation boards for ranking of a potential firms' capability to meet and fulfill a specific project.

Please note that FAR 36.702 (b)(2) makes the SF 255 mandatory for projects expected to exceed \$25,000, and optional for projects under this threshold.

For publicly announced projects over \$25,000, the SF 255 is the most important document in the selection process. A firm can have all the qualifications and past experience in the world, but if the firm fails to clearly demonstrate their qualifications and experience on the SF 255, they will not get the job.

EVALUATION BOARDS

As I discussed above the evaluation boards will use the SF Forms 254 & 255 submitted by firms for technical evaluation and ranking amongst other firms. Now let me mention evaluation boards in more detail.

When acquiring architect-engineer services, an agency shall provide for one or more permanent or ad hoc architect-engineer evaluation boards (which may include preselection boards when authorized by agency regulations) to be composed of members who, collectively, have experience in architecture, engineering, construction, and Government and related acquisition matters. Members shall be appointed from among highly qualified professional employees of the agency or other agencies, and if authorized by agency procedure, private practitioners of architecture, engineering, or related professions. One Government member of each board shall be designated as the chairperson.

EVALUATION BOARD FUNCTIONS

Under the general direction of the head of the contracting activity, an evaluation board shall perform the following functions:

Selection boards shall develop a point system to evaluate potential contractors (See Samples Pages 17-19).

Review the current data files (SF's 254 & 255 and SF 1421's) on eligible firms and responses to a public notice concerning the particular project. DFARS 236.604 states to use DD Form 2631, Performance Evaluation (Architect-Engineer), instead of SF 1421.

Evaluate the firms in accordance with the criteria in 36.602-1.

Hold discussions with at least three of the most highly qualified firms regarding concepts, the relative utility of alternative methods, and feasible ways to prescribe the use of recovered materials and achieve waste reduction and energy-efficiency in facility design.

Prepare a selection report for the agency head or other designated selection authority recommending, in order of preference, at least three firms that are considered to be the most highly qualified to perform the required services. The report shall include a description of the discussions and evaluation conducted by the board to allow the selection authority to review the considerations upon which the recommendations are based.

Keep in mind that no firm shall be eligible for award of an architect-engineer contract during the period in which any of its principals or associates are participating as members of the awarding agency's evaluation board.

Either short selection process described in FAR 36.602-5 may be used to select firms for contracts not expected to exceed the small purchase limitation (AFFARS 5336.602.5).

The chairperson of each board must be a registered professional engineer or architect. The chairperson:

- Prepares a summary report of board activities, marked "FOR OFFICIAL USE ONLY".
- Screens prospective board members to avoid potential conflict of interest.
- Uses careful judgment when assigning non-US. employees to boards.

A person may not be a voting member of both boards for the same project.

The Contracting Officer or his designee is a nonvoting member of the final selection board.

PRESELECTION BOARDS

Preselection boards are authorized, if the lists they develop are approved by the head of the construction activity. If used, preselection boards will--

- Be formally constituted;
- Consist of at least three members; and they
- Prepare a preselection list of the maximum practicable number of qualified firms using data described in FAR 36.603, and any other pertinent information.
- Develops an evaluation procedure and conducts an evaluation of A-E candidates.
- Recommends three to six qualified A-Es to the selection board in a summary report.

SELECTION BOARDS

- This board of registered engineers and architects:
- Evaluates and may interview the A-E firms on the preselection board list.
- Recommends three firms for selection authority approval.

If interviews are requested or desired, interview each firm, either in person, by telephone, or by written reply to written questions. **Interviews will cover:**

- Required services.
- The firm's technical qualifications and experience with similar work.
- The firm's organization, capacity, and current workload.
- Key individuals who will work on the project.
- Design concepts the firm intends to use.
- The relative value of alternative approaches.

SELECTION AUTHORITY - SPECIAL APPROVAL

Special approval means approval by the next higher organizational level above the construction activity or as established in contracting activity procedures (or as established by local authority) and must be obtained prior to negotiation with the A-E firm.

The following selections require special approval--

- The estimated contract price exceeds \$500,000;
- The firm to be selected has already been awarded contracts totaling over \$500,000 during the current calendar year by the construction activity; or
- Supplemental work added to an existing contract causes the total contract price to exceed \$500,000. Special approval is not, however, required for supplemental work added to a contract under the clause at FAR 52.243-1, Changes-Fixed Price.

In addition to the above, AFI 32-1023 specifically lists the approving authority.

A-E SLATE SELECTION APPROVING AUTHORITY. APPROVAL AUTHORITY FOR A-E SLATE SELECTIONS IS DELEGATED AS FOLLOWS:

For Title I, Title, II, and Base Comprehensive Plan A-E services where the fee exceeds \$500,000, The Civil Engineer, Headquarters US Air Force (HQ USAF/CE) is the A-E slate selection approving authority for Headquarters Air Force Center for Environmental Excellence (HQ AFCEE) and Headquarters Air Force Civil Engineer Support Agency (HQ AFCESA) contracts. When the fee is less than \$500,000, the Commander (HQ AFCEE/CC or HQ AFCESA/CC) may approve the slate selection.

For Title I, Title II, and Base Comprehensive Plan A-E services where the fee exceeds \$500,000, the Major Command (MAJCOM) Civil Engineer is the A-E slate selection approving authority for MAJCOM contracts. When the fee is less than \$500,000, the MAJCOM may delegate selection slate approval authority to the Base Civil Engineer.

For other A-E services contracts where the fee exceeds \$300,000, Deputy Assistant Secretary/Installations (SAF/MII) is the A-E slate selection approving authority. When the fee is less than \$300,000, HQ USAF/CE is the A-E slate selection approving authority.

The maximum A-E fee permitted under a contract is the basis for approval level and authority. On Indefinite Delivery/Indefinite Quantity (IDIQ) contracts, base the fee on the initial plus renewal values of the contract. For example, a 2-year, \$400,000 per year, IDIQ contract by a base would have a potential value of \$800,000, and require approval by the MAJCOM Civil Engineer.

All contracts requiring HQ USAF/CE or SAF/MII approval need two written approvals: the requirements, and the slate. Submit the following for approval. All approving authorities should review similar data before approving a slate.

Obtain approval of the requirement before procurement action, submitting an explanation of why the work is needed, the basis for the contract scope, the length of the contract, and the minimum and maximum quantity of work allowed under the contract. Include with the approval request a copy of the draft notice for the CBD, and the proposed selection factors and criteria and their weighted values.

To ensure selection boards were professionally qualified to evaluate the A-E firms and the process was fair and equitable, slate approving authorities should review the following data before granting approval:

- A copy of the CBD announcement.
- A copy of the contract statement of work.
- Preselection and final selection board minutes.
- A listing of all board members by name, grade, professional discipline, organization, and whether members were registered as an architect or engineer.
- The letter of designation.
- A listing of all firms considered by the final selection board, including their status as a small or disadvantaged business, if applicable.
- The selection factors and criteria and their weighted values.
- Board member scorecards.
- Summary of members scoring and ranking of firms.
- Questions asked during A-E interviews.
- The slate in rank order.

SELECTION AUTHORITY

The final selection decision shall be made by the agency head or a designated selection authority.

The selection authority shall review the recommendations of the evaluation board and shall, with the advice of appropriate technical and staff representatives, make the final selection. This final selection shall be a listing, in order of preference, of the firms considered most highly qualified to perform the work. If the firm listed as the most preferred is not the firm recommended as the most highly qualified by the evaluation board, the selection authority shall provide for the contract file a written explanation of the reason for the preference. All firms on the final selection list are considered "selected firms" with which the contracting officer may negotiate in accordance with 36.606.

The selection authority shall not add firms to the selection report. If the firms recommended in the report are not deemed to be qualified or the report is considered inadequate for any reason, the selection authority shall record the reasons and return the report through channels to the evaluation board for appropriate revision.

A finding that some of the firms on the selection report are unqualified does not preclude approval of the report, provided that a minimum of three firms remains. The reasons for finding a firm or firms unqualified must be recorded.

The boards shall be promptly informed of the final selection.

The most highly qualified firm(s) approved by the selection authority will be the prospective architect and engineering firm that the Government will issue a request for proposal (RFP) to and negotiate with. (See sample letter page 20.)

Conducting a selection for an architect-engineer contract is similar to building a tower. The objective is to cap the tower with the most qualified firm, but the tower will not stand if it is not supported properly with other stones. This analogy, is based on the premise that the most qualified firm got to the top because there were firms that were not as qualified or failed to demonstrate their qualifications. The boards documentation should reflect and prove this fact. Consistency must be maintained throughout the Government's documentation of a selection process. This type uniformity should start in all documentation from the CBD announcement, evaluation score sheets, Preselection and Selection board reports to documentation to the A-E slate approving authority. There should be no question why a firm was ranked number one compared to other unsuccessful firms.

SAMPLE ONLY

A-E QUALIFICATION CRITERIA AND WEIGHTED AVERAGE AS ESTABLISHED BY A-E PRE-FINAL SELECTION BOARD

For the Architectural-Engineering Services required in support of this project, it was agreed that the prospective A-E firms should be rated on the following criteria.

<u>FACTOR</u> <u>CREDIT POINTS</u>

A. Specialized experience in renovation, upgrade, repair and construction of commercial and industrial facilities (specifically their supporting infrastructure systems), to include Investigation of Pavement Defects and Deficiencies, Airfield Pavements Surface Effects Testing, Pavement Condition Surveys (Airfield, Streets, and Parking Lots), Airfield Pavements Evaluation, Airfield Mission Change Impact Studies, Pavement Drainage Studies, Aircraft Refueling Systems (Dispensing and Storage) Studies, Railroad Trackage Maintenance Repair and Re-Construction Studies, Base Roofing Surveys, Roof Maintenance, Repair, and Replacement Projects, Oversight of Aircraft Arresting System Construction, Electrical Distribution Studies, Fire Protection System Evaluations, Life Safety Studies, Fire Hazards Analysis, Indoor Air Quality Surveys, Water Pressure/Flow Analysis, Water and Sewage Treatment Studies, Water Supply and Conservation Studies, Cathodic Protection System Evaluation, Troubleshooting and Design, Unforeseen Infrastructure Studies, and providing training programs for various infrastructure areas such as Corrosion Control, Radio Fire Alarms, Direct Digital Controls, Roof Surveys, NFPA code, NEC code, American Petroleum Institute Tank Inspection, Industrial Water Treatment, etc.

30

30

B. Professional qualifications necessary for satisfactory performance indicated by education, experience, registration and management ability of personnel to be assigned to this contract. Based on anticipated requirements, firms must indicate their professional capabilities and staff availability in the areas of civil engineering, electrical engineering, mechanical engineering, fire protection engineering, estimating, specification writing, construction inspection, and drafting support.

20

C. Capacity of the firm to accomplish delivery orders in the time required during the entire contract period.

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D. Location of the firm from Langley AFB, Hampton VA,

0-5

1. Within 40 miles;	5
2. Between 40 and 100 miles;	3
3. Beyond 100 miles.	0
E. Experience of the firm with respect to evaluation, renovation, and construction work on Department of Defense contracts primarily, with less weight given to performance on contracts with private industry.	0-10
1. Award of 15 or more contracts in the last 5 years	10
2. Award of 10 to 14 contracts in the last 5 years	5
3. Award of 1 to 9 contracts in the last 5 years	3
4. No DOD contracts	0
F. Licensing or agreements to operate in the following countries: Panama, Azores, and Southwest Asia.	5
(No requirement exist for special licensing while operating on a Government installation. Therefore all contractors will receive the full sc	ore in this area.)

Total Points 100

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AF	ARCHITECT AND ENGINEER EVALUATION SCORE SHEET								
BOARD MEMBER:									
(No requirement exist for special licensing while operating on a									
Government installation. Therefore contract	ctors will rec	eive the full	score in th	nis area.)		TOTAL			
ARCHITECT-ENGINEER FIRM	A	В	С	D	F	POINTS	RATING		
Chou & Associates, P.C.					5				
Glenn & Sadler					5				
PSG Corrosion Engineering Inc.					5				
URS Greiner					5				
DJG Inc.					5				
Hattemer Homsby Bailey					5				
Robert and Company					5				
Enterprise Engineering Inc.					5				
Lockwood Greene Technologies Inc.					5				
Stanley Consultants, Inc.					5				

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MEMORANDUM FOR HQ ACC CONS/LGC (ATTN: TSgt Bowers)

FROM: HQ ACC/CE

SUBJECT: A-E Slate Selection

- 1. Report of the A-E Selection Board, as established by ACC CES/ESO letter, dated 25 Feb 97, has been completed. The board has selected, in order of preference, the following firms to accomplish the desired professional services for this open-end contract.
 - a. Offeror A
 - b. Offeror B
 - c. Offeror C
- 2. The selection board results are approved IAW AFI 32-1023 and the attached Approval at Architect-Engineer (A-E) Selection Authority, dated 11 Jul 96. Request you initiate negotiations and award with URS Greiner to procure the required services as detailed in the Statement of Work (SOW). The SOW formed the basis of this selection. If satisfactory negotiations cannot be concluded with the selected firm, proceed with the next firm listed in paragraph 1.
- 3. To satisfy the requirement for guaranteed fees, a Purchase Request (PR) in the amount of \$300K has been sent to you. Delivery Order(s) for project designs will be provided after the basic contract is negotiated and labor rates are finalized.
- 4. The original minutes, for both the Pre-Selection Board and the Final Selection Board, will be maintained by this office and are available for your review.

EARNEST O. ROBBINS II Colonel, USAF The Civil Engineer

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NOTIFICATION OF UNSUCCESSFUL OFFERORS

FAR 36.607 states the following regarding the "Release of information on firm selection."

After final selection has taken place, the contracting officer may release information identifying only the architect-engineer firm with which a contract will be negotiated for certain work. The work should be described in any release only in general terms, unless information relating to the work is classified. If negotiations are terminated without awarding a contract to the highest rated firm, the contracting officer may release that information and state that negotiations will be undertaken with another (named) architect-engineer firm. When an award has been made, the contracting officer may release award information in a accordance with FAR 5.401.

Debriefings of successful and unsuccessful firms will be held after final selection has taken place and will be conducted, to the extent practicable, in accordance with 15.1004, 15.1006 (b) through (f), and 15.1007(c). Note that FAR 15.1006 (d)(2) through (d)(5) do not apply to architect-engineer contracts.

DEBRIEFING INFORMATION

FAR Parts 15.1004 and 15.1006, provide specifics guidance on "Notification to successful offeror."

The contracting officer shall award a contract with reasonable promptness to the successful offeror (selected in accordance with 15.611(d)) by transmitting written notice of the award to that offeror (but see 15.608 (b)). When an award is made to an offeror for less than all of the items that may be awarded to that offeror and additional items are being withheld for subsequent award, each notice shall state that the Government may make subsequent awards on those additional items within the offer acceptance period.

POSTAWARD DEBRIEFING OF OFFERORS

An offeror shall be debriefed and furnished the basis for the source selection decision and contract award, if its written request is received by the contracting officer within three days after the offeror receives notice of contract award. Offerors that requested a postaward debriefing at the time they were eliminated from the competitive range or otherwise excluded from further consideration prior to the final source selection decision shall also be provided a debriefing at this time. An offeror that failed to submit a timely request under 15.1003(a) or 15.1005(a) is not entitled to a debriefing. When practicable, debriefing requests received more than three days after the offeror received notice of contract award may be accommodated. However, accommodating such untimely debriefing requests does not extend the time within which suspension of performance can be required, as this accommodation is not a "required debriefing" as described in FAR Part 33. To the maximum extent practicable, the debriefing should occur within five days after receipt of the written request.

Debriefings of successful and unsuccessful offerors may be done orally, in writing, or by any other method acceptable to the contracting officer.

The contracting officer or designee shall chair any debriefing session held. Individuals who conducted the evaluation shall provide support.

AT A MINIMUM, THE DEBRIEFING INFORMATION SHALL INCLUDE-

- The Government's evaluation of the significant weaknesses or deficiencies in the offeror's proposal, if applicable;
- Reasonable responses to relevant questions about whether source selection procedures contained in the solicitation, applicable regulations, and other applicable authorities were followed.
- The debriefing shall not include point-by-point comparisons of the debriefed offeror's proposal with those of other offerors. Moreover, the debriefing shall not reveal any information exempt from release under the Freedom of Information Act including--
- Trade secrets;
- Privileged or confidential manufacturing processes and techniques;
- Commercial and financial information that is privileged or confidential, including cost breakdowns, profit, indirect cost rates, and similar information; and
- The names of individuals providing reference information about an offeror's past performance.
- The contracting officer shall include an official summary of the debriefing in the contract file.

These areas SHALL NOT BE DISCUSSED:

- The overall evaluated cost or price and technical rating, if applicable, of the successful offeror and the debriefed offeror
- The overall ranking of all offerors when any ranking was developed by the agency during the source selection
- A summary of the rationale for award
- For acquisitions of commercial end items, the make and model of the item to be delivered by the successful offeror

PROTESTS AGAINST AWARD

If, within one year of contract award, a protest causes the agency to issue either a new solicitation or a new request for best and final offers on the protested contract award, the agency shall make available to all prospective offerors for the new solicitation, or original offerors that are requested to submit new best and final offers.

KEY POINTS

Hopefully, this guide has provided a better understanding of the acquisition process for architect and engineering contracts. I will address a few additional key items, while the remaining contracting process is standard.

The request for proposal (RFP) will be issued to the number one ranked firm. The schedule B. will consist of labor disciplines for Architect and Engineering rates. Other rates and line items may be included as appropriate in the schedule. The bottom line is that the A & E firm provide proposed loaded rates that will be verified and if accepted will be used for the contract.

Architect and Engineering rates are substantiated by audited and confirmed rates of the cognizant Defense Contract Audit Agency (DCAA). This includes loaded labor rates, Overhead rates and General and Administrative rates. The only negotiable item for A & E requirements for award is <u>profit</u>. The contractor's proposed rates shall be in accordance with the DCAA audit report. Profit will be negotiated separate from the audit report findings, however these items are discussed.

Aggressive and early communication with the cognizant DCAA office is a must. These offices are allowed 30 days to respond to an audit, however proactive correspondence can minimize the time and allow for a speedy award.

In regards to profit, DFARS 215.903 states that the Contracting officer may use an alternate structured approach to profit when the contract is for architect-engineer or construction work.. Based on this information, the government may use this approach to determine profit objective and document the objective in a Pre-Negotiation Objective (PNO).

A simple and easy tool to assist in determining profit when using an alternate structured approach is attached (See pages 25 and 26). Keep in mind that ACC FAR Supplement requires that a PNO for any contract action estimated to exceed \$100,000 must be approved in writing by the contracting squadron commander or director of contract operations prior to commencing negotiations. I will now mention another key area, statutory limitations for A & E's.

STATUTORY LIMITATIONS

In accordance with FAR 15.903, the contracting officer shall not negotiate a price or fee that exceeds the following statutory limitations, imposed by 10 U.S.C. 2306(d) and 41 U.S.C. 254(b) for architect-engineering services for public works or utilities, the contract price or the estimated cost and fee for production and delivery of designs, plans, drawings, and specifications shall not exceed <u>6 percent</u> of the estimated cost of construction of the public work or utility, excluding fees.

DFARS 236.606-70, provides further guidance on the statutory fee limitation.

10 U.S.C. 4540, 7212, and 9540 limit the contract price (or fee) for A-E services for the preparation of designs, plans, drawings, and specifications to six percent of the project's estimated construction cost.

The six percent limit also applies to contract modifications, including modifications involving--

Work not initially included in the contract. Apply the six percent limit to the revised total estimated construction cost.

Redesign.

Apply the six percent limit as follows--

Add the estimated construction cost of the redesign features to the original estimated construction cost:

Add the contract cost for the original design to the contract cost for redesign; and

Divide the total contract design cost by the total estimated construction cost. The resulting percentage may not exceed the six percent statutory limitation.

The six percent limit applies only to that portion of the contract (or modification) price attributable to the preparation of designs, plans, drawings, and specifications. If a contract or modification also includes other services, the part of the price attributable to the other services is not subject to the six percent limit.

SUMMARY

We have looked at some of the highlights regarding the acquisition process of an architect and engineering firm. Hopefully these significant areas have provided you a better understanding regarding the process and will aid you in your architect and engineering acquisition.

Alternate Structured Approach to the Weighted Guidelines

The following alternate structured approach guidance can be used for all construction, architect-engineer and surveying contract actions when price is to be negotiated for profit. The information provided can assist in determining a fair profit objective based on individual acquisition and distinct needs of work.

	<u>Rate</u>		<u>Weight</u>		<u>Value</u>	
<u>Factor</u>	Construction	<u> </u>	Construction	<u> </u>	Construction	<u> </u>
Degree of Risk	20	25			0	0
Relative Difficulty of Work	15	20			0	0
Size of Job	15	15			0	0
Period of Performance	15	20			0	0
Contractor's Investment	5	5			0	0
Assistance by Government	5	5			0	0
Subcontracting	25	10			0	0
Total	100%	100%				

Based on the circumstances of the procurement action, each of the above factors shall be weighted from .03 to .12 (.07 to .15 for A&Es) as indicated below. "Value" shall be obtained by multiplying the Rate by the Weight. The Value column when totaled indicates the fair and reasonable profit percentage under the circumstances of the particular procurement. Parenthetical expression () herein after refer to A&Es and surveying and mapping.

Degree of Risk: Where the work involves no risk or the degree of risk is very small, the weighting should be .03 (.07); as the degree of risk increases, the weighting shold be increased up to a maximum of .12 (.15). For construction work, lump sum items shall generally have a higher weight than unit price items; other things to consider include the nature of the work and where it is to be performed, etc. A&E contracts with options shall generally have a higher weighted value than contracts without options; other things to consider include nature of design, responsibility for design, amount of principal time required, etc. For all types of contracts consider the portion of the work to be done "by subcontractors", amount and type of labor included in costs, whether the negotiation is before or after performance of the work, etc. Modifications settled before the fact have much greater risk than those settled after the fact. A weight of .03 (.07) is appropriate for after the fact equitable adjustments and or settlements.

Relative Difficulty of Work: If the work is most difficult and complex, the weight should be .12 (.15) and should be proportionately reduced to .03 (.07) on the simplest of jobs. This factor is tied in to some extent with the degree of risk. Some other things to consider are the nature of the work, by whom it is performed (I.e., subcontractors, consultants), what is the time schedule. For A&E's also consider whether the work is rehabilitation or new design.

Size of Job: All work and fees not in excess of \$100,000 (\$50,000) shall be weighted .12 (.15). Work estimated between \$100,000 and \$5,000,000 (\$50,000 and \$500,000) shall be proportionately from .12 to .05 (.15 to .09). Work form \$5,000,000 to \$10,000,000 (\$500,000 to \$1,000,000) shall be weighted at .04 (proportionally weighted from .09 to .07). Work in excess of \$10,000,000 (\$1,000,000) be weighted at .03 (.07). It should be noted that control of fixed expenses generally improves with increased job magnitude.

Period of Performance: Work in excess of 24 months (180 days actual design time) are to be weighted at .12 (.15). Work of lesser duration shall be proportionately weighted from .03 to .12 (.07 to .15) for work not exceeding 30 days (60 days) depending on requirement.

<u>Contractor's Investment:</u> To be weighted from .03 to .12 (.07 to .15) on the basis of below average, average, or above average. Things to consider include amount of subcontracting, government property, data such as surveys/soil tests, method of making progress payments, etc. For construction also consider any mobilization payment items.

Assistance by Government: To be weighted from .12 to .03 (.15 to .07) on the basis of average to average. For construction consider use of Government owned property, equipment and expediting assistance, etc. For A&Es consider use of as-built drawings, Government surveys, soil exploration, and foundation recommendations.

Subcontracting: to be weighted inversely proportional to the amount of subcontracting. Where 80% or more of the work is to be subcontracted use .03 (.07). The weighting should be increased proportionately to .12 (.15) where all the work is performed by the contractor's own work force.

Profit Base: The profit base for the Alternate Structured Approach shall include general and administrative cost for A&E's but not for construction. Profit is not applied to FCCOM.